



PRIMER



Volume XII, Number I

Indiana State Teachers' Retirement Fund

Winter 2001

Spotlight on.....

Internet Advances



New Additions
Improve Service to Members

The Fund's website on the Internet, found at <http://www.state.in.us/trf/>, is evolving constantly to improve member service. Our website offers the following features for Fund members:

- Various forms from the Fund
- An informational pamphlet concerning the investment alternatives available for the Annuity Savings Account
- An interactive tool that allows prospective retirees to estimate their retirement benefits
- Information concerning the Anthem group health insurance offered to retired members
- Past editions of the *Primer*

In addition to these features, the Fund has revised the "Calculator for Retirement Benefits" form with updated explanations of the Fund's retirement options.

Member's Handbook

The Fund has updated the "Member's Handbook" by splitting the manual into two separate publications:

- Active Member's Handbook
- Retiring Member's Guidebook

Both publications discuss the Fund and its facets in general terms. We strongly encourage all members to review these publications and direct any questions to our Member Service Center. To download these publications, members must have *Adobe Acrobat Reader*®, a free program available over the Internet.

Quarterly Statements

Active members can visit our website to view their latest quarterly statement over a secured connection. To use this program, members must know their respective Fund account numbers. If necessary, members may contact our Member Service Center in writing to obtain their number. Please include your Social Security Number and signature.

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Identity Theft

Source: Federal Trade Commission, "Advisor"



The 1990s spawned a new variety of crooks called identity thieves. Their stock in trade is your everyday transactions. Each transaction requires you to share personal information: your bank and credit card account numbers; your income; your Social Security number; your name; address; and phone numbers. An identity thief co-opts some piece of your personal information and appropriates it without your knowledge to commit fraud or theft. An all-too-common example is when an identity thief uses your personal information to open a credit card account in your name.

Despite your best efforts to manage the flow of your personal information, skilled identity thieves may use a variety of methods, both low-tech and high-tech, to gain access to your data. Here are some of the ways impostors can get your personal information and take over your identity. For more information, visit the Federal Trade Commission's website at : <http://www.ftc.gov>.

How Identity Thieves Get Your Information

- They steal wallets and purses containing your identification, credit cards, and bank cards.
- They steal your mail, including your bank and credit card statements, pre-approved credit offers, telephone calling cards and tax information.
- They complete a "change-of-address form" to divert your mail to another location.
- They rummage through your trash or the trash of businesses for personal data in a practice known as "dumpster diving."
- They fraudulently obtain your credit report by posing as a landlord, employer or someone else.
- They get your business or personnel records at work.
- They find personal information in your home.
- They use personal information you share on the Internet.
- They buy your personal information from "inside" sources. For example, an identity thief may pay a store employee for information about you that appears on an application for goods, services or credit.

How Identity Thieves Use Your Personal Information

- They call your credit card issuer and, by pretending to be you, ask to change the mailing address on your credit card account. The imposter then runs up charges on your account. Since your bills are being sent to the new address, it may take some time before you realize there's a problem.
- They open a new credit card account, using your name, date of birth and Social Security Number. When they use the credit card and don't pay the bills, the delinquent account is reported on your credit report.
- They establish phone or wireless service in your name.
- They open a bank account in your name and write bad checks on that account.
- They file for bankruptcy under your name to avoid paying debts they've incurred under your name, or to avoid eviction.
- They counterfeit checks or debit cards, and drain your bank account.
- They buy cars by taking out auto loans in your name.



Anthem® Open Enrollment

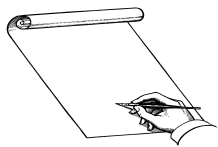


RETIRED MEMBERS – open enrollment for the supplemental Anthem health insurance plan takes effect on **April 1, 2001!** This open enrollment period will be the next opportunity for members to enroll in Anthem's Vision Service Program.

In February 2001, retired members should receive information from Anthem concerning this plan. Those members who reside in a different location during the winter should ensure that Anthem has the appropriate address.

Anthem must receive any changes to a member's health insurance account or enrollments by the middle of March.

Members with questions can contact Anthem directly via a toll-free number: (800) 368-9354.



Newland's Notes

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Recently, the Fund's staff participated in an instructional video about retirement. While this video will be available in the near future, it covered some items that are good to review on a broad level.

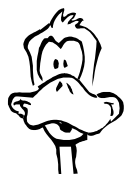
A member's entire retirement benefit is comprised of two components. The first component is a defined benefit that is based on a formula prescribed in Indiana law. The annual benefit that a member has earned for retirement is determined with factors such as the number of years of service and an average salary calculation. The money to pay this portion of the retirement benefit is provided by the State of Indiana. The Fund is responsible for investing this money according to an "asset allocation." This asset allocation mandates the percentage of investment in stocks and bonds. The current asset allocation is: 36% in domestic stock, 10% in international stocks, 6% in real estate, and the remaining 48% in fixed income securities.

The second component of a member's retirement benefit is an "annuity savings account." The member funds this component in one of several methods. Under Indiana law, Fund members are required to contribute three-percent (3%) of their contract salary. An employer may choose to make this contribution on behalf of the member. In addition, members may choose to contribute an additional amount of their salary. These voluntary contributions are "post-tax." For more information on this program, please refer to the Fall 2000 edition of the *Primer*. The investment of the annuity savings account is directed by the member. Members may choose to invest in one or more of the following options: the Guaranteed Fund, the S&P 500 Index Fund, the Small Cap Fund, the International Fund, or the Bond Fund. Members can change their investment directions once every twelve-month period. More information on these options can be found in "Investing Your Annuity Savings Account," a pamphlet available from the Fund via our website on the Internet or through our Member Service Center. The annuity savings account is very similar to a Section 403(b) plan or a Section 401(k) plan.

When combined, these components form one retirement benefit. For an average teacher, the defined benefit provides approximately eighty-percent (80%) of the retirement benefit, while the annuity savings account represents the remaining twenty-percent (20%).

As you consider the entire retirement benefit, please note that it should be viewed in conjunction with two other sources of "normal" retirement income: Social Security and personal savings.

Making Changes to Your Account



Recently, the Fund has started the process of converting to our new electronic information management system, known as "SIRIS."

This event serves as a reminder of the importance of using the Fund's forms to make permanent changes to your account. The new system involves the use of scanning technology. Therefore, the Fund is requiring the use of our forms for security purposes.

You can find Fund forms designated for many functions, such as the changing of address or direct deposit accounts.

Please note that all permanent changes must be requested in writing by use of the Fund's forms. We cannot accept permanent changes over the phone for security purposes. Forms must also be properly completed and signed.

To request forms, please contact our Member Service Center or visit our website at: <http://www.state.in.us/trf/>.

Thinking About Retiring?



If you are considering retiring from the Fund this year, here are a few helpful hints to assist:

- When you begin to seriously consider retirement, obtain an **estimate of your retirement benefits** from the Fund
- Approximately six months prior to your retirement, **notify your payroll administrator** of your intentions and ask the payroll administrator to **obtain a retirement packet** from the Fund on your behalf
- Give serious consideration to **visiting our offices** and **meeting with a retirement counselor** – **meetings are taken by appointment only**
- **Organize various documents** essential to retirement processing: birth certificates, contracts, etc.
- Check on **other investments**

Anyone with questions should contact our Member Service Center at (888) 286-3544.

Contacting Your Fund

You can find out about the following at our main numbers:

(317) 232-3860 / Toll-Free (888) 286-3544

- ✓ Benefits Checks Deductions
- ✓ Benefit Check Health Insurance Deductions
- ✓ Counseling
- ✓ Death Reports
- ✓ Direct Deposits
- ✓ Lost Checks
- ✓ Service Credit
- ✓ Withdrawals

Other Services:

Investments..... (317) 232-3868

TDD/TTY..... (317) 233-3306

Director's Office... (317) 232-3869

FAX Number..... (317) 232-3882

Visit our site on the World Wide Web at:
<http://www.state.in.us/trf>

You can send our office an electronic mail message at: **trf@state.in.us**

Indiana State Teachers' Retirement Fund

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New & Noteworthy



2001 Session of the Indiana General Assembly

To improve member service, the Fund is renovating our offices at 150 West Market Street in Indianapolis.

After the renovation, all retirement counselors will have private offices in which to meet visiting members. In addition, the Member Service Center will be expanded into a private environment to increase productivity.

We expect minimal inconvenience during the renovation and look forward to improving our service for you!

The First Regular Session of the 112th Indiana General Assembly has convened in Indianapolis. To monitor the progress of the legislature, you can visit the Indiana General Assembly on the Internet at:

<http://www.state.in.us/legislative/>

You can also contact your local legislators by writing to them at:

Indiana House of Representatives **OR** Indiana State Senate
200 West Washington St.
Indianapolis, IN 46204

The *Primer* is published by the Fund to update members on Fund news and to give general information about Fund benefits. Specific information is available in the Active Member's Handbook, the Retiring Member's Guidebook or by contacting the office.

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